

# City of Fremont 2002 Legislative Policy and Priorities

Adopted 1/15/02

In general, the City of Fremont opposes any legislation or regulations that preempt local authority, negatively impact the City's budget, and/or impose unfunded mandates on the City. The City supports the use of incentives to encourage local government action, rather than the imposition of mandates.

## Revenue and Taxation

- **Revenue Takeaways:** The State is facing a budget shortfall of \$5 to \$14 billion. The last time the State faced such a financial crisis, it balanced its books on the backs of local governments. This year may be no different, even though cities have still not recovered from the last State takeaways, which in Fremont have totaled over \$80 million since 1991.

The most vulnerable revenue source is the Vehicle License Fee (VLF). Over the past three years, the State has reduced the fee paid by consumers on their vehicles by 67.5%. This fee has traditionally gone directly to cities after the State collected it. When the State reduced the fee, they "backfilled" the revenues to cities from the State's General Fund. Now that the State's own budget is in trouble, all cities are worried about losing the revenue. For Fremont, the portion at risk could be \$8 million annually. Without this important source of revenue, the City will be forced to consider reducing service levels, budgets, and staffing; deferring capital projects; and using reserve funds.

The City opposes any further revenue takeaways and supports legislation to raise the Vehicle License Fee to its original status before the Legislature reduced the tax. The City also supports legislation to reform the state-local government fiscal relationship and establish a stable revenue base for local governments to plan for future growth and provide needed public facilities and services.

- **E-commerce:** Sales of goods and products over the Internet could pose a serious threat to the City's overall sales tax revenue base. At a minimum, the Legislature should enact legislation to close the loophole in current law that allows corporations with a physical presence, or nexus, in California to evade their sales and use tax obligations by setting up web sites based outside California.

## Emergency Preparedness

- **Reimbursement:** Since the events of September 11, cities have had to assume additional staffing and equipment costs for emergency preparedness and public safety. Although local governments are usually the first to respond in cases of natural disasters and acts of terrorism, they receive little financial and technical assistance from the State and federal governments. If cities are to have properly trained public safety and emergency medical personnel, up-to-date communications networks, and appropriate equipment, they will need to partner with the State and federal governments to share resources and technology.

## Transportation

- **Investment:** The City supports Proposition 42, which will provide additional funding for local transportation and other critical unmet infrastructure needs. If approved by the voters in March 2002, Proposition 42 would constitutionally dedicate the sales tax on gasoline to transportation beginning in fiscal year 2003-04. The monies generated would be allocated to: the State Transportation Improvement Program, local streets and roads, and transit.
- **Truck Routes:** The Federal District Court for the Eastern District of California has held that Federal law prohibits the State of California from sharing its safety authority over trucking with local agencies. The Attorney General's Office is appealing the decision to the Ninth Circuit Court of Appeals. Since the District Court relied on the Ninth Circuit's decision that local regulation of tow trucking was preempted (the authority residing only in the State itself), there is a possibility that the Ninth Circuit will reach the same conclusion. Cities, including Fremont, have been contacted by the Teamsters Union and the Dump Truck Owners Association demanding to know when the cities will stop enforcing their truck routes. If the District Court's decision stands, big rigs will be able to travel on any city street, endangering children and senior citizens, damaging streets not intended for the weight of such trucks, and clogging already jammed intersections. The City supports legislation to protect Federal legislation to restore municipal authority and, if needed, State legislation to protect against unregulated use of City streets by commercial vehicles.

## Energy

- **Power Plant Incentives:** The City supports *in situs* attribution of power plant property taxes, as opposed to Board of Equalization assessment and allocation to all jurisdictions in the County. The City also supports legislation to provide a financial bonus to the jurisdiction with the land use authority to site a power plant facility.
- **Aggregation:** The City supports legislation to give cities the ability to buy power for their citizens and businesses without requiring every resident and business to sign up. Those who don't want to participate in the City's aggregation efforts should be allowed the option of withdrawing, or opting out, of the pool.
- **Rolling Blackouts:** The City supports legislation to allow more flexibility to implement local alternatives to rolling blackouts. PUC tariffs only allow exemption from blackouts if everyone on a power circuit agrees to reduce power consumption (or load) within fifteen minutes. If the circuit does not meet the target, severe pricing penalties are applied. The City supports legislation allowing the City to sponsor cooperative efforts to get energy users to either drop load or shift to electricity supplied by peaker power plants or distributed generation, without having the City face punitive pricing. The City would coordinate efforts, but it wouldn't be the "main customer" facing penalties if the target is missed.

## Land Use

- **Preservation of Local Land Use Authority:** The City opposes legislation that would remove or limit local government land use authority.

- ***Housing Elements:*** The City opposes legislation that penalizes local governments for noncompliance with their housing element requirements. Proposed penalties have included loss of gas tax funds and court penalties for noncompliance.

## **Public Works**

- ***Design Build:*** Under existing law, general law cities are required to follow formal competitive bidding procedures for the construction of all public projects. Competitive bidding procedures limit the City's discretion in choosing qualified contractors to construct public projects, and the City is sometimes legally compelled to enter into a contract with a low bidder barely qualified to perform the work. Limited exceptions to the general rule of competitive bidding have been approved by the Legislature to allow certain public agencies (including the Cities of Davis and West Sacramento, and the County of Alameda) to use a construction contract procurement process known as *design-build*. Under a design-build process, the City would have the authority to negotiate a contract with the most qualified "design-build team" comprised of the design team and the construction team. By involving the construction team during the design phase, the City would have more opportunities to decrease project delivery time, decrease costs, and increase quality.
- ***Public Works Act Purchasing Limits:*** California State Government Public Contracts Code Section 20162 requires that general law cities award public works projects to the lowest responsible bidder after notice if the expenditure for the project exceeds \$5,000. This amount was originally set many years ago when \$5,000 was a significant sum of money and reflected a sizeable public project. The cost of preparing bid documents and the lost time due to noticing and other bidding process requirements can impede small projects and reduce the City's ability to provide quality, low cost service to the public. The City of Fremont supports an increase in the cost threshold for bid requirements from \$5,000 to \$50,000. If needed, an informal bid process could be substituted.
- ***Infrastructure Improvements and City Streets:*** Increasingly, agencies and companies are using the City's rights-of-way to locate infrastructure improvements like gas and electric lines, water lines, sewage lines, and telecommunication lines. These improvements often necessitate cutting into city streets, which impedes traffic. Because the City must allow access to the infrastructure improvements and has limited ability to manage how the traffic control is set or the hours the work is performed, the City supports legislation to require agencies and companies doing such work to post their identity and contact phone number at any site that disrupts traffic.

## **Public Safety**

- ***Red Light Cameras:*** The City opposes legislation to limit the use of red light cameras. These cameras have proved to be an effective deterrent in Fremont.
- ***Fire Protection in Schools:*** The City supports requiring the installation of automatic fire sprinkler systems in new and remodeled schools. The City has a comprehensive fire sprinkler ordinance that requires fire sprinkler systems to be installed in all new buildings and existing apartment buildings with internal corridors accommodating ten or more

apartments. Because public schools fall under the State's jurisdiction, however, this life- and property-saving ordinance does not apply to them.

### **Recreation**

- ***Community Use of Schools:*** The City supports legislation to provide funding for after-school community use of school facilities. The City currently pays the school district to use its facilities for recreation classes and other purposes.
- ***Park Bonds:*** Local governments do not receive their fair share of park bond money. The City supports allocating future park bond money on a per capita basis.

### **Libraries**

- ***Library Funding:*** Libraries have still not recovered from the impacts of Proposition 13 and the ERAF shift. The Fremont Main Library, part of the Alameda County library system, is open only 51 hours per week, while the smaller Fremont branch libraries are open even fewer hours. While the City of Fremont contributes money towards keeping the libraries open, this funding is insufficient to meet the needs of our residents. Therefore, the City supports full funding for the Public Library Foundation, which will help the Fremont libraries remain open more hours, expand their collections, and make needed technology purchases. The City also supports legislation to exempt county libraries that are special districts for tax purposes from the ERAF shift.

### **Employee Relations**

- ***Mandated Employee Benefits:*** Decisions about employees' benefits should be made at the local level, through the collective bargaining process, not mandated by the State. Therefore, the City opposes legislation mandating new or enhanced local employee benefits because such benefits can impose financial costs and administrative burdens on local governments. The City also opposes legislation eliminating employee benefit options.
- ***Workers' Compensation:*** The City opposes increases in workers' compensation benefits unless they are accompanied by structural improvements to the system. For example, if benefit levels are increased, the City would like to see: clarification of factors used in rating permanent disabilities; return to work incentives for employees; tighter rules regarding the presumption that the treating physician's opinion is correct; detailed guidelines for Qualified Medical Evaluators; and changes in the way fines and penalties are charged against employers.
- ***Mandatory Social Security Coverage:*** The President has appointed a Social Security Commission to address funding issues related to Social Security. One of the proposals being considered is mandatory Social Security coverage for newly hired local government employees. This is, at best, a short-term solution to a federal government problem and would result in additional salary costs of 6.2% to both the City and newly hired employees. Public plans (e.g., CalPERS) were established before Social Security and continue to serve employees well. Social Security—not public plans—has lived beyond its means, resulting in the current actions to use federal budget surplus, among other things, to “save” Social

Security, and the need to continue to find new revenues (e.g., bringing newly hired local government employees into the system).

In addition to the potential of mandatory Social Security coverage, current law provides for reduced Social Security benefits if an employee retires from a local agency and is also eligible for Social Security benefits for work performed at another employer that participated in Social Security. This occurs through either the Windfall Elimination Provision (WEP), because of the employee's own Social Security account, or the Government Pension Offset (GPO), because of the employee's access to the account of a spouse or ex-spouse. Both of these provisions need to be modified so that City employees are not penalized for work performed in addition to their local government service.

- ***State Income Tax Conformity:*** The passage of the federal Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) resulted in the largest tax cut in more than 20 years. However, unless State law is brought into conformity with federal law, California employees will not be able to realize the full benefit of the legislation. A similar situation existed when the deferred compensation plan rules were last changed in 1996, and at that time the State amended its tax rules to be in compliance with federal law. If the State does not enact legislation effective January 1, 2002, the implications for participants in Section 457 deferred compensation plans would be significant. For example, contributions by plan participants in excess of currently existing limits could be considered excess contributions for state income tax purposes. A provision of the new tax law provides much more flexibility with respect to rollovers from 457 plans to IRAs or other qualified retirement plans. If California law is not changed, rollovers by 457 plan participants under the new tax law could be considered taxable distributions for state income tax purposes. This is an issue that also affects participants in 401(k) and 403(b) plans.

## **Human Services**

- ***Funding for Senior Centers:*** The City supports legislation authorizing a bond measure for the construction and renovation of senior centers.
- ***Funding for Childcare:*** The City supports legislation to provide wage increases for teachers at subsidized children's centers so that the centers can retain skilled, high-quality teachers.
- ***Funding for State Special Schools:*** The City supports legislation to require that salaries paid to teachers at the state special schools (both located in Fremont) be no less than the salaries of public school teachers and administrators employed by the school districts.
- ***Funding for Mental Health:*** Mental health services continue to be largely uncovered through traditional medical insurance programs, including Medicare and Medi-Cal, and county services continue to reach only the most severely ill people. The City supports funding to improve mental health services for all ages.
- ***Temporary Assistance for Needy Families (TANF)/ Comprehensive Youth Services Act (CYSA):*** Federal welfare reform allowed states to use some TANF Block Grant funds for services normally provided through juvenile probation. CYSA is the state legislation that

appropriated funds for this purpose, and it is set to expire in 2003. Alameda County has used about \$5.5 million per year for delinquency-prevention services. In Fremont, the City and School District will receive about \$500,000 in FY 2001-02. The City supports renewal of this important program.

- ***Youth Employment:*** The City supports funding for youth employment programs.

#### **Elections**

- ***Voting Machines:*** The City supports legislation and bond measures that will provide funding for upgrading voting systems.

## City of Fremont 2002 Funding Priorities

Adopted 1/15/02

1. ***Interchange Improvements:*** The City is working with the Alameda County Transportation Authority (ACTA) on a project to improve the Mission Boulevard interchange. The improvements include widening Mission Boulevard, improving the cross connector between I-680 and I-880, building a new local interchange on Warren Avenue, and constructing a Warren Avenue grade separation to accommodate the BART extension to Santa Clara County. (This grade separation reduces the cost of the BART extension.) The City has verbally committed \$64.6 million to the project, plus the value of the right-of-way the City purchased to prevent development. Initially, ACTA was to reimburse the City for the cost of the right-of-way. Now, the City is being asked to donate this right-of-way to the project, thereby increasing the City's contribution to the project. **Estimated cost - \$10 million**
2. ***Irvington BART Station:*** As far back as 1979, plans for the Warm Springs BART Extension have assumed the extension would include an Irvington BART Station located near the intersection of Washington Boulevard and Osgood Road. In the 1980's, when the Metropolitan Transportation Commission (MTC) established funding priorities for new rail transit starts and extensions in MTC Resolution 1876, it was agreed that BART extensions to Pittsburgh, Dublin, and Warm Springs would all add two new stations. BART is now moving forward with the extension to Warm Springs, and BART and the Santa Clara Valley Transportation Authority recently signed a cooperative agreement for the BART extension to San Jose and Santa Clara. To date, no funding has been identified for an Irvington BART Station. **Estimated cost - \$60 million**
3. ***Pacific Commons Train Station:*** Located on over 300 acres south of Auto Mall Parkway on the west side of I-880, Pacific Commons will be one of the largest business park developments in Northern California, ultimately providing 25,000 jobs upon completion. The Pacific Commons Train Station will serve the ACE and Capitol Corridor trains, as well as AC Transit buses and private shuttles. The project includes a transit station building with a waiting room, ticket area, and café; train platforms and shelters; bus bays; and parking. **Estimated cost - \$5 million**
4. ***Centerville Train Station:*** Both the ACE and Capitol Corridor trains, which serve Fremont and the Silicon Valley, have become so popular that they've added new morning trains to their schedules. In order to allow Fremont's residents and businesses to fully utilize these rail services, we need to build a second platform at the Centerville Train Station and build additional parking (including acquiring land near the station, removing an existing building, and constructing a parking lot). **Estimated cost - \$3 million**
5. ***Sidewalk Repair:*** The City's infrastructure, in many areas, is over forty years old, and the street trees are just as old, or older. The roots from these street trees can displace pavement and cause hazardous conditions for pedestrians and cyclists. The City now provides temporary patches and has a long-term plan to fix sidewalks. However, the needs exceed the

City's available resources. As the City ages, this problem will grow, unless we can secure funds to increase our capacity to deal with the street trees and sidewalks. **Estimated cost - \$10 million**

6. ***Street/Pavement Rehabilitation:*** The City's streets are our highest valued capital asset, with an investment of nearly \$1 billion. As any street system ages and traffic loading increases (caused by events such as changes in bus routes, and the use of heavier waste hauling and delivery trucks), the long-term maintenance needs increase. The City's computer-based Pavement Management System (PMS) has identified approximately \$30 million in needed pavement maintenance over the next five years. That level of funding would bring the entire street system up to the desired 85 Pavement Condition Index (PCI). Without additional funds, the City will be unable to adequately maintain its street network at the current condition level. State funds would be used on the City's arterial system to bring the arterial streets up to a high level, perhaps a PCI of 87 to 88. At this high level, the arterial streets would need little maintenance work in the near term, and the City could spend its programmed capital funds rehabilitating residential and collector streets over the next five to ten years. **Estimated cost - \$30 million**
7. ***Central Park Swim Lagoon/Family Water Play Facility:*** The project would convert an existing sand beach swim lagoon into a family water play park. Because the existing facility is over 30 years old and has reached the limits of its serviceability, the City and the East Bay Regional Park District entered into an agreement for the District to provide a similar beach front facility at its new Quarry Lakes Regional Park, located in Fremont. As a result of this agreement, the City has an opportunity to convert the current swim lagoon site to another aquatic use. The City is studying the concept of a family water play facility, which would feature spray pools, zero beach entries, water playgrounds, an inner tube lazy river, and other water features selected for their family play value. City staff estimate that more than 100,000 people from Fremont and surrounding communities will use this facility each year. **Estimated shortfall - \$2 million**
8. ***Pacific Commons Community Park, Phase I:*** The City has acquired approximately 30 acres of new land that will be used to support the development of a citywide park. The intent is to work with the community to develop additional active and passive play areas. While we have adequate funding to acquire the land, we are lacking funds to initiate construction of the park. Development of this park will provide much needed play area to Fremont's ever-expanding population. **Estimated cost - \$8 million**
9. ***Central Park East Meadows Development:*** This project provides for the development of approximately 16 acres of Central Park, thereby completing the core of the park and realizing the City's vision of providing a serene setting in an urban area. The added capacity provided by this project would distribute the impact of the millions of annual park visitors to Central Park. **Estimated cost - \$8 million**
10. ***Central Park Community Center:*** The current Central Park Community Center is over 40 years old. Because of its proximity to the Hayward Earthquake Fault, the facility has suffered seismic damage, including lifting of the floor. As a result, half of the facility has



been closed to the public. Central Park is over 400 acres and is the focal point of the City's park system. This project would provide for the replacement of the existing community center with a facility that would mirror the park as a focal point for the community. It would be the main community center in the City's system and feature multiple court gymnasium space and other recreational activities. The new community center would be located in a different part of the park to avoid a recurrence of the seismic problems experienced by the current facility. **Estimated cost - \$15 million**

- 11. *Traffic Signals:*** The City has already converted its red and green traffic lights to light-emitting diode (LED) technology. This project would convert the yellow lights and pedestrian signals to LED technology and install battery backup systems. The backup systems will allow the signals to be fully functional during a blackout for at least four hours before going to a flash mode. The cost for this project is approximately \$11,000 per intersection. **Estimated cost - \$1.1 million**
- 12. *Niles Depot Relocation:*** In 1982, the historic Southern Pacific Niles Passenger Depot was moved to Mission Boulevard to prevent the Southern Pacific Railroad from demolishing the building. This project would rehabilitate the depot and move it from Mission Boulevard to a location in downtown Niles, one of Fremont's Redevelopment Project Areas. **Estimated cost - \$1.5 million**
- 13. *Central Park Teen Center Furnishings and Equipment:*** A recently completed survey of Fremont teens and parents identified a teen center as being a high priority within the community. Because of construction cost overruns on the teen center, there is not enough funding for furnishings. This project would purchase tables and chairs for assembly and study cubicles, sound systems for music and microphones, game equipment (pool and ping pong tables, electronic and computer games, etc), video equipment, televisions and VCR/DVD players, and office and kitchen equipment. **Estimated cost - \$150,000**
- 14. *Central Park Teen Center Expansion:*** This project would add approximately 4,000 square feet of programmable space to the teen center for a fraction of the building's original construction cost. The City's Youth Advisory Commission has identified a computer lab and a soundproof band practice room as desirable new components of a teen center. In addition, a dedicated space for a computer lab would allow the City to compete for technology grants from companies like Intel. **Estimated cost - \$400,000**
- 15. *Permanent Skate Park:*** Several years ago, the City engaged the community in a series of public meetings as part of its Park Development Program. The top park improvement identified at that time was a skate park. As a result of that community demand, the City built and operates a 7,000-square foot temporary skate park. The facility has proven to be very successful, with use levels remaining high over the three years the park has been in existence. The high use of the park, however, has caused high wear on the temporary equipment, as well as increases in maintenance and repair costs. Funding this request would provide the youth of Fremont with a permanent skate park. If funded, the timing for planning and constructing a permanent skate park would closely match the useful life of the current temporary equipment. **Estimated cost - \$350,000**

**16. California Nursery Tree Preservation:** The oak trees at the California Nursery Historical Park are an excellent example of the size and scale of the tree-moving operation of the California Nursery. The trees represent a valuable part of the park's unique character, and they need to be supported with containers to protect them from eventual failure or damage. **Estimated cost - \$120,000**

**17. Performing Arts Facility:** The Performing Arts Facility will address many cultural and multicultural needs of residents of Fremont and southern Alameda County. It includes a museum/gallery, a multi-use performance hall, and a community theater. The Performing Arts Facility has been a long-standing dream of Fremont residents. **Estimated cost - \$85 million**

**18. Swim/Gym Complex:** The City has prepared design plans for a swim/gym complex. The key components of this facility are a 50-meter indoor competitive pool, a 3,000 square foot indoor leisure pool with slide and water play features, a multi-court gymnasium, complete locker room/restroom facilities, office and meeting space, a fitness area, an outdoor quad, and parking for 300+ vehicles. The facility was designed by a community task force and represents a community vision for a full service facility providing competitive swimming, leisure water play, therapeutic/senior pool use, and a full range of gymnasium and fitness activities. **Estimated cost - \$50 million**